



COUNCILMEMBER DONNA FRYE
Council District Six
City of San Diego

M E M O R A N D U M

DATE: June 12, 2007
TO: Honorable Mayor
FROM: Councilmember Frye *Donna Frye*
SUBJECT: Construction and Demolition at the Natural Resources and Culture (NR&C) Committee Agenda Item for June 20, 2007

Approximately 400,000 tons of mixed Construction & Demolition waste continues to enter the Miramar Landfill each year which is approximately 35 percent of the total waste disposed. Most of the 400,000 tons of C&D material buried each year in the Miramar landfill is recyclable. So, by diverting 50 percent of the C&D entering the Miramar Landfill, the City will increase overall waste diversion in the landfill by over six percent, avoid penalties and prolong the life of the Miramar Landfill

The City Council approved a plan back in 2005 to build a C&D facility station at Miramar, however at the June 4, 2007, hearing of the Natural Resources and Culture Committee I was notified that the Mayor's office no longer felt that a facility was needed. I would like to know the status of the C&D Ordinance and the facility at Miramar?

In addition, over the past 10 years the Environmental Services Department (ESD) has coordinated citizen groups considering local challenges to meeting the waste diversion mandate. These groups have consistently recommended that the City adopt mandates for C&D recycling. The City also authorized the execution of a consultant agreement this past year to develop the Long Term Waste Management Option (LWMO) Strategic Plan. Will representatives from the hauling industry participate in this process and is this appropriate since they have some financial interest in the outcome of the plan?

I would also request that you respond to the questions addressed in Councilmember Ben Hueso's Memo dated February 5, 2007.

Your prompt attention to this matter is appreciated.

CC: Honorable City Councilmembers
Independent Budget Analyst, Andrea Tevlin
City Attorney, Mike Aguirre



COUNCILMEMBER BEN HUESO

City of San Diego
Eighth District

MEMORANDUM

DATE: February 5, 2007
TO: Donna Frye, Natural Resources and Culture Chair
FROM: Councilmember Ben Hueso
SUBJECT: C & D Recycling

The current policy of charging fees for recycling construction materials at City landfills seems contrary to the goals of AB 939. This dedicated fund was established to promote additional recycling, however applying fees to materials collected, rather than disposed of, provides a disincentive to recycling. Since Miramar is currently scheduled to reach capacity in 2012 preserving the capacity also defers a potential economic burden on the City.

Currently, holders of Non-Exclusive Franchise Agreements with the City of San Diego are required to remit Franchise Fees on all solid waste collected in the City. Under the structure large service providers remit a fee of \$12 per ton and all others remit at a rate of \$11 per ton. In addition, an AB 939 fee of \$7 per ton is remitted to the City on all solid waste collected in the City by all haulers regardless of size.

Although I am sensitive to the fact that these fees are revenue sources for The City of San Diego General Fund, I would like to see a discussion of the current fee structure and possible alternatives that would encourage increased recycling of construction materials.

CC: Richard Haas, Deputy Chief of Public Works
Elmer Heap, Director of Environmental Services Department
Brian Maienschien, Councilmember
Kevin Faulconer, Councilmember
Andrea Telvin, Independent Budget Analyst

CITY OF SAN DIEGO
M E M O R A N D U M

DATE: June 15, 2007

TO: Honorable Councilmember Donna Frye

FROM: Elmer L. Heap Jr., Environmental Services Department Director

SUBJECT: Construction and Demolition (C&D) Recycling

REFERENCE: June 12, 2007 Memo from Councilmember Frye

This memo is to address the questions you raised in your above referenced memo to the Mayor. They included: the status of the C&D Ordinance and the facility at Miramar, representation by haulers on the Resource Management Advisory Committee that is a part of the City's Long Term Resource Management Strategic Plan, and the issues raised in the 2/5/07 memo from Councilmember Hueso on C&D Recycling.

C&D Ordinance

The current ordinance that was adopted by Council in 2005 stipulates that the ordinance can only be triggered when a mixed C&D recycling facility is operating in the City of San Diego and certified by ESD. The Mayor will bring forward a proposal to trigger the existing C&D ordinance in the Fall of 2008 by replacing the requirement that the facility be in the City of San Diego to a requirement that the facility be within a certain geographic radius. This radius would include the SANCO facility in Lemon Grove and additional mixed C&D recycling infrastructure that San Diego Landfill Systems is proposing to bring on line in the interim at Sycamore and Otay landfills. With two or more additional facilities on line when the ordinance is triggered, C&D recycling costs will be minimized for businesses impacted by the ordinance.

C&D Facility at Miramar

The C&D facility was proposed by ESD to be built at Miramar in various reports to NR&C and Council in 2004 and 2005. In those reports it was stated that ESD was developing a Request for Proposals for a contractor to construct and operate a facility at Miramar. ESD did successfully complete a competitive bid process, issued a notice of intent to award to Community Recycling on 8/5/05, and brought the contract to Council for approval on November 28th, 29th and December 5th, 2005 and it was continued each time. In 2006 it became known that the private sector was beginning to step up to provide the necessary recycling infrastructure and that SANCO (EDCO) was constructing a large mixed C&D facility at their operations station in Lemon Grove as well as opening a smaller one in San Marcos. An analysis was then conducted by staff to determine whether it was more cost effective for the City to continue on its current course of contracting for a facility at Miramar or to instead request that the ordinance be revised so that certified C&D facilities within the city and within a certain geographic radius outside the city could trigger the ordinance. It was determined that there would be significantly lower costs to the Disposal Fund, the General Fund, and the Recycling Fund associated with altering the ordinance so that when the existing and proposed private sector facilities are on-line the trigger would be effective.

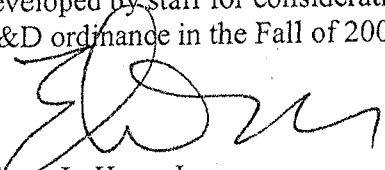
June 15, 2007

Representation by Haulers on the Resource Management Advisory Committee

The membership and general structure of the committee has been discussed with the consultant and while the final shape of the committee has not yet been resolved, some guidelines have been established. With respect to membership on the committee it has been decided that proposed members will be screened to ensure that they do not have any potential financial conflicts of interest in the eventual recommendations. Because haulers may fall into this category, it has been decided that BAS would conduct workshops to discuss regional issues that will include haulers and landfill operators to ensure that all key input is sought from these potential partners/competitors during this process.

Issues Raised in Councilmember Hueso 2/5/07 Memo

Councilmember Hueso indicated that he "would like to see a discussion of the current fee structure and possible alternatives that would encourage increased recycling of construction materials." The current fee structure related to mixed C&D recycling is as follows: SANCO charges a gate fee \$46/ton for all mixed C&D material entering their facility. The gate fee to dispose of mixed C&D waste at Miramar Landfill is \$43 per ton. The gate fee at Miramar includes the franchise fee (\$11/\$12 per ton) and the AB 939 fee (\$7/ton) for waste from the City of San Diego. Franchised haulers using the SANCO facility will also be required to pay the franchise (\$11/\$12) and AB939 fees (\$7) to the City resulting in a combined fee of \$64/\$65/ton to use this facility. Alternative financing options will be developed by staff for consideration by Council in conjunction with the Mayor's plan to trigger the C&D ordinance in the Fall of 2008.



Elmer L. Heap, Jr.

ELH/sjg

Cc: Mayor Jerry Sanders
Council President Scott Peters
Councilmember Kevin Faulconer
Councilmember Toni Atkins
Councilmember Tony Young
Councilmember Brian Maienschein
Councilmember Jim Madaffer
Councilmember Ben Hueso